

ASX Release

Friday 30 July 2021

ASX Code

PAK

About Us

Pacific American Holdings Limited (the Company) is an ASX listed company with a diversified asset portfolio with a focus on renewable energy including hydro power generation, precious metals and bulk commodities for steel making. PAK is advancing the development of its Primary Power subsidiary to expand its portfolio of renewable energy technologies. PAK holds a 50% interest in GP Hydro Pte Ltd and 100% ownership of the Elko Project with 303MT of JORC 2012 compliant resources in the highly productive East Kootenay region of British Columbia.

Board

Non-Executive Chairman – Geoff Hill
Executive Director & CEO – Mark Sykes
Non-Executive Director – Simon Bird

Company Secretary

Wayne Kernaghan

Management

Business Development – Dom Hill

Investment GP Hydro Pte Ltd
Ownership 50%

Project Elko Project
Ownership 100%
JORC 2012 303MT Resource,
117MT Measured
Stage Exploration

QUARTERLY REPORT FOR THE QUARTER TO JUNE 2021

Summary

Pacific American Holdings Limited (**ASX: PAK**) is pleased to provide its Quarterly Activities Report for the three months ended 30th June 2021.

Porphyry North Gold Project

- A total of 1,336 samples have been submitted for assay with the full set of results now having been received.
- Commenced geological interpretation over the 3 target areas of:
 - One Tree Well
 - Rainbow Dam, and
 - Nugget Patch

Idaho Gold Field Preparation

- Review of state wide data to target prospective gold bearing regions
- Priority areas in Idaho have been identified with in-field mapping and sample collection scheduled to commence in July 2021.

Elko Coking Coal Project

- Seeking project partners for next round of exploration activity

This market announcement has been authorised for release to the market by the Board of Pacific American Holdings Limited.

Porphyry North Gold Project

During the Quarter the Company received an incomplete set of assay samples from the Porphyry North Gold Exploration Program, however can now confirm that the balance of the assay samples were received recently. A total of 1,336 samples were submitted for analysis and were comprised of a combination of 1m samples in addition to 2m, 3m and 4m composite samples. The samples and results cover the three (3) priority gold target areas taken from the following exploration holes:

- One Tree Well – 5 RC holes
- Rainbow Dam – 18 RC holes and 2 AC holes
- Nugget Patch – 37 AC holes

It was identified during the preparation process prior to assay that several samples were compromised. The Company has assessed the significance of these assays in relation to their location to target mineralisation zones and has not included those assays as part of the 1,336 assay results that have been received. The variation to previously reported sample number of 1,526 having been submitted includes 115 samples included for quality insurance.

The Company acknowledges the extended time taken to receive the complete assay results from the samples and thanks shareholders for their patience.



Figure 1 - Porphyry North drilling program Image courtesy of Salazar

Geological Interpretation and modelling

With the assay results now in, the Company plans to quickly turn around the findings from geological interpretation and modelling that tests the exploration objectives; being:

- **One Tree Well** – aimed at testing late stage quartz-vein related gold with sheared mafics and gabbros,
- **Rainbow Dam** - targeting of an area where two closely spaced inferred NW-trending late shears appear to splay off at a flexure in a major regional structure, and at
- **Nugget Patch**, while never having been systematically drilled, seeking to confirm the presence of shear-related gold mineralisation in a tonalite host.

Idaho Gold Activity

During the Quarter the Company undertook detailed investigation into high value gold and base metals projects in Idaho. The Company considers gold and polymetallic assets having favourable investment metrics over the long term. The Company has identified a number of target areas within Idaho and commenced planning to stake mineral claims and undertake in-field geological mapping and sample collection.



Figure 2 - Access Roads leading into prospective Idaho Claim Area

The Company plans on announcing developments relating to our Idaho projects in Q3 2021.

Elko Coking Coal Project

The Company maintains the view that Elko Coking Coal Project is a high value mid to long term project that will support the growth of the steel industry as a source of raw material used in the steel making process. As such the Company continues to explore for partners that will support the ongoing exploration and potential development of the Project over the medium - long term.

The Elko Project highlights remain compelling and include the follow metrics:

Location:	East Kootenay Coal Basin - Crowsnest Coal Field
Ownership:	100%
Area	8,824 acres (3 adjoining tenements)
Product Coal Type:	Coking Coal
Resources (Million Tonnes) ⁽¹⁾ :	
Measured	117.6
Indicated	93.2
Inferred	<u>92.3</u>
Total Resource	303.1
Coal Seams:	9 Mineable thick Seams
Mining Method	Underground (Bord and Pillar / Augur)
Logistics	Existing rail and port infrastructure
Approvals	Notice of Work valid until September 2024
Targeted Saleable Production ⁽²⁾	1.25Mt - 1.75Mt per annum
Mine Life ⁽²⁾	20+ years
Validation	Historical metallurgical testing was completed by Japanese trading houses

(1) Elko Coking Coal Project JORC Resource report

(2) PAK Estimates

TENEMENT MANAGEMENT UPDATES

During the Quarter, there was no change to the ownership in PAK's tenements.

	Tenement Reference	Nature of interest
Mining tenements held at the end of the quarter	Elko Coal Licences in British Columbia, Canada. Licences 418648, 418649 and 418650.	100% ownership
Mining tenements acquired during the quarter	Nil	Nil
Mining tenements relinquished during the quarter	Nil	Nil
Beneficial percentage interests held in farm-in or farm-out agreements at the end of the quarter	Nil	Nil
Beneficial percentage interests in farm-in or farm-out agreements acquired or disposed during the quarter	Nil	Nil

FOR FURTHER INFORMATION CONTACT

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Business Development Manager
Pacific American Holdings - North America
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More details are available on PAK's website www.pacificamerican.com.au

COMPETENT PERSON'S STATEMENT

Previously Released Information

These ASX announcements refer to information extracted from reports available for viewing on PAK's website www.pacificamerican.com.au and announced on:

- 16.01.2019 "Elko Coking Coal Project JORC Resource Increased to 303Mt", and
- 02.03.2021 "Maiden Drilling Program Completed Over Three Gold Targets"

PAK confirms it is not aware of any new information or data that materially affects the information included in the original market announcements, and, in the case of exploration targets, that all material assumptions and technical parameters underpinning the exploration targets in the relevant market announcements continue to apply and have not materially changed. PAK confirms that the form and context in which the Competent Person's findings presented have not been materially modified from the original market announcements.

Forward Looking Statements

Statements contained in this release, particularly those regarding possible or assumed future performance, revenue, costs, dividends, production levels or rates, prices or potential growth of the Company, are, or may be, forward looking statements. Such statements relate to future events and expectations and, as such, involve known and unknown risks and uncertainties. Actual results and developments may differ materially from those expressed or implied by these forward-looking.

The interpretations and conclusions reached in this announcement are based on current geological theory and the best evidence available to the authors at the time of writing.

It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for absolute certainty.

Any economic decisions which might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Pacific American Holdings Limited

ABN

83 127 131 604

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs	(191)	(391)
1.3 Dividends received (see note 3)		
1.4 Interest received	-	1
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(191)	(390)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation	(56)	(261)
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(56)	(261)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	80
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(2)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	78

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	689	1,015
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(191)	(390)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(56)	(261)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	78

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	442	442

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	442	689
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	442	689

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	49 ¹
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

¹Payment of fees to Directors.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(191)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(56)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(247)
8.4 Cash and cash equivalents at quarter end (item 4.6)	442
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	442
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.79
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: The Company expects it will continue to have the current level of net operating cash flows for the time being.	

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company is in the process and in discussions with joint venture partners to raise funds to cover the operations of joint venture projects, which the Company has been funding those operations solely the last 9 months. On 6 July 2021, the Company received a contribution of \$118,000 from a joint venture partner for their share of joint venture expenditures. The Company would raise additional funds before committing to further operating cash outflows of the same scale in September 2021 quarter.

The Company expects that funds will be available to finance future operations and that realisation of assets and settlement of liabilities will occur in the normal course of business. Whilst the Company still carries on joint venture projects, it expects to continue to have negative operating cash flows.

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: The Company expects to be able to continue its operations and to meet its business objectives using the funds received/expected to be raised as described in item 8.8 Answer 2.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 July 2021

Authorised by: The Board

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.